

Royal Trust  
Annual Report  
1969





## Contents

Highlights . . . . .	1
Report to the Shareholders . . . . .	2
Consolidated Financial Statements	
Balance Sheet . . . . .	14
Auditors' Report . . . . .	15
Profit and Loss Account . . . . .	16
Retained Earnings Account . . . . .	16
Reserve Account . . . . .	16
Notes to Financial Statements . . . . .	17
Ten-Year Review . . . . .	20
Board of Directors . . . . .	22
Executive Officers . . . . .	23
Branch Managers . . . . .	24
Advisory Board Members . . . . .	25
Offices . . . . .	28
Services . . . . .	29

# Royal Trust Annual Report 1969

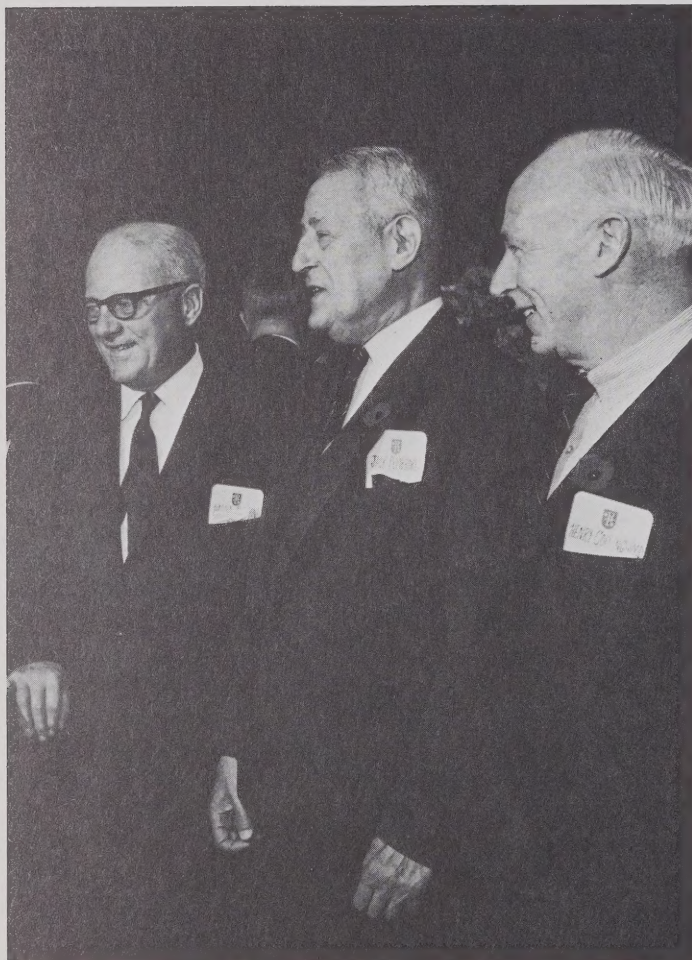
## **The 70th Annual Report of The Royal Trust Company for the year ended 31st December, 1969 (Consolidated Operations)**

70th annual general meeting  
Montreal, 25th February, 1970

<b>Highlights</b>	<b>1969</b>	<b>1968</b>
Gross Income	\$ 120,892,000	\$ 82,751,000
Net Operating Profit	\$ 6,263,000	\$ 4,532,000
Profit per share	\$ 1.52	\$ 1.38
Companies' and Guaranteed Account Assets	\$ 1,374,454,000	\$1,116,110,000
Estimated Value of Assets Under Administration	\$10,008,454,000	\$8,889,110,000







Jack Pembroke, C.B.E., Chairman of the Board, who died January 3, is seen here at the formal opening of Toronto Branch's new offices in the Royal Trust Tower. With him, on his right, is Harold Husband, Director from Victoria, and, on his left, Henry Collingwood, Director from St. John's, Newfoundland.

The first words of this Report could not be other than a tribute to Jack Pembroke, C.B.E., Chairman of the Board, who died suddenly 3rd January, 1970.

Mr. Pembroke served the Company, its shareholders and its clients for over 40 years, joining in 1929 as a statistical clerk and climbing steadily to the top positions. He became General Manager in 1950, a Director in 1953, Vice-President in 1954, President in 1955, and Chairman in 1962.

A man of finest quality and the highest principles, he insisted upon those same high standards in the Company, and to him we owe much of the reputation and the position that the Company enjoys today. He served his country well both in war and peace, and dedicated untold hours to his community, university and social welfare interests. We have all lost a wise associate and a good friend.

### ***Directors and Executive Officers***

To fill the vacancy caused by Mr. Pembroke's death, your Directors elected Conrad F. Harrington as Chairman of the Board, and he continues to be Chairman of the Executive Committee and Chief Executive Officer. Kenneth A. White was elected President and Chief Operating Officer and a member of the Executive Committee.

H. Greville Smith, C.B.E., a Director and member of the Executive Committee, was appointed a Vice-President, and two vacancies on the Executive Committee were filled. Our Directors, Frederick W. P. Jones, Professor, and former Dean of the University of Western Ontario School of Business Administration, and William S. Kirkpatrick, Chairman, Cominco Ltd., have agreed to serve on the Committee.

Last year we reported a number of resignations from our Board due to the provision of the Bank Act that a person cannot simultaneously be a Director of a chartered bank and of a trust company after 31st December, 1969. We now advise you of the resignations for the same reason of W. A. Arbuckle, a Director of the Company since 1952, a Vice-President and member of the Executive Committee of the Board, and of G. W. Bourke, a Director since 1950, and more recently, an Honorary Director. Joseph Harris, a Director since 1964, and lately an Honorary Director, has also resigned. These gentlemen have rendered outstanding service to the Company and their presence will be greatly missed.

With sadness we record the death of that great Canadian, Donald Gordon, C.C., C.M.G., LL.D., a Director since 1967, and the passing of LaMonte J. Belnap, the most senior member of our Board, who was elected a Director in 1940 and an Honorary Director in 1961.



To fill these vacancies, your Directors appointed Arnold J. Groleau, of Montreal, Executive Vice-President, Bell Canada; Allan M. McGavin of Vancouver, President, McGavin Toastmaster Ltd.; Fraser M. Fell, Q.C., of Toronto, and R. James Balfour, Q.C., of Regina.

Senior staff appointments included J. W. R. Seattle as Senior Vice-President, Administration, and M. Allan Jamieson as Vice-President, Personnel Services. We also instituted the position of Assistant Vice-President, and a number of our General Supervisors were appointed to that position in recognition of their increasing responsibilities.

### ***Advisory Boards and Subsidiary Companies***

There have been a number of changes in the composition of Advisory Boards during the year. In Sarnia, following acquisition of The Industrial Mortgage and Trust Company, the Directors of that Company were reconstituted into a joint Advisory Board for Industrial Mortgage and Royal Trust in Sarnia and Lambton County. We were delighted that all the Directors agreed to serve in this new capacity, and that these gentlemen, as well as the entire staff of Industrial Mortgage, have co-operated so wholeheartedly in the reorganization of operations in that area.

The following resignations from the Boards of our subsidiary companies and Advisory Boards of the parent company have been accepted with regret; in London, England, Geoffrey H. E. Inchbald, a member of the Board of The Royal Trust Company of Canada, and the predecessor Branch, since 1946; in Ottawa, A. Barnet Maclaren, a member since 1949; in Toronto, Edward A. Royce, Chairman of that Board since 1961, and John H. Devlin, a member since 1967; in Hamilton, E. R. Taylor, Chairman since 1959; in London, Ont., John H. Moore, F.C.A., a member since 1958; and in Vancouver, E. F. Riddle, a member since 1949. We are most grateful to these gentlemen for their valuable assistance and counsel over the years.

To fill these and other vacancies, the following new appointments were made: in Jersey, Channel Islands, Sir Robert Marett, K.C.M.G., O.B.E., was appointed a Director; in London, K. M. Robinow and K. A. White became directors of the English Company; in Dublin, G. P. Jackson joined the Irish Board; in Halifax, Finlay MacDonald; in Sherbrooke, Victor W. Newton; in Ottawa, James B. Brown; in Toronto, Robert B. Taylor (formerly member of our Hamilton Board) and Hartland M. MacDougall (formerly of our Calgary Board); in Hamilton, Ronald K. Fraser; in Kitchener, a new Advisory Board was recently formed, Theodore A. Witzel and Joseph R. Zuber have accepted invitations to join it; in

London, Ont., Francis W. Dowler, Q.C.; in Winnipeg, Maitland B. Steinkopf, Q.C.; in Calgary, David E. Mitchell and Robert J. Kayser; and in Victoria, Ralph D. Perry.

In London, England, Geoffrey B. Holt, T.D., Chairman and Managing Director of The Royal Trust Company of Canada and a Vice-President of the parent company, elected early retirement after 37 years of valuable service. Fortunately his great skills and broad knowledge of the Company's affairs will still be available as a Director of the English Company. Stanley F. Fermor, F.C.A., a senior officer with 33 years' experience in London and Jersey, was named to succeed Mr. Holt in the foregoing appointments.

### ***Financial Results***

General business conditions throughout 1969 were far from ideal but it is encouraging to note that in spite of an inflationary environment, exceptionally tight credit conditions and unsettled investment markets, the Company experienced another record-breaking year.

Consolidated net operating profit after taxes amounted to \$6.3 million, or \$1.52 per share, compared with restated profit of \$4.5 million, or \$1.38 per share for 1968. (Figures for 1968 have been adjusted to include subsidiaries not previously consolidated — see Note 1 to the Consolidated Financial Statements.)

Profit per share in each case is based upon the average number of shares outstanding during the year, 4,132,000 for 1969 and 3,292,000 for 1968.

Specific increases for 1969 — the largest in recent years — were: fees and commission, by 16% (1968, 11%); net investment income (income from mortgages, other investment income, less interest paid), 35% (1968, 16%); expenses, excluding interest paid, 20% (1968, 8%); profit before income taxes, 27% (1968, 24%).

On a comparative basis to 1968, a relatively smaller percentage of taxes to profits was provided in 1969. This decrease is chiefly because of a larger percentage of non-taxable income and a smaller percentage of non-deductible expenditures recorded in 1969 relative to 1968.

Net operating profit for 1969 excludes a net gain of \$615,000, or 15 cents per share, on disposal of the Company's former premises in Toronto.

### ***Balance Sheet***

As at 31st December, the Company's consolidated assets were \$1.4 billion, an increase of \$258 million, or 23%. Of this increase, \$38 million resulted from the acquisition of The Industrial Mortgage and Trust Company, and the balance



of \$220 million represents growth in the Company's operations. Total assets under administration now exceed \$10 billion, an increase of \$1.1 billion over the 1968 total of \$8.9 billion.

As at 31st December, 1969, securities aggregating \$420 million had a market value of \$416 million. This variation is equivalent to the difference between book and market values of Government of Canada short-term bonds, the average maturity of which is less than 2 years. The decline in market value is a consequence of the increase in yields of Canadas in the market place from 6.5% to 8.0% during the year.

The most prominent increase in a specific asset was in mortgages, which increased by \$172 million, or 34%. This increase includes \$31 million acquired through Industrial Mortgage and Trust and \$141 million in net additional lending from Guaranteed Account.

The Guaranteed Account now exceeds \$1.1 billion. Investment receipts outstanding of \$1 billion represent an increase of \$224 million or 28%. During the year, the Savings operations of subsidiary companies were transferred to the Guaranteed Account of the parent company. Savings deposits aggregating \$92 million include \$25 million acquired through Ontario Loan and Industrial Mortgage and Trust. Excluding these acquisitions, Savings deposits increased by \$10 million or 17% during the year.

Short-term notes issued by the Company's subsidiary, The Royal Trust Company Mortgage Corporation, have increased by \$13 million. Debentures of subsidiaries include \$111 million applicable to the Mortgage Corporation and represent a decline by approximately \$7 million from the previous year-end. Debentures of the Mortgage Corporation consist of \$55 million issued by the Mortgage Corporation on a long-term basis (original maturities from 6 to 30 years) plus \$56 million of short-term maturities (all originally issued for terms of 5 years or less) acquired through the merger of the Mortgage Corporation and The Ontario Loan and Debenture Company. Rather than seek renewal upon maturity of these latter debentures, they are being renegotiated as Guaranteed Investment Receipts of Royal Trust.

A strong liquid position was maintained throughout the year. "Readily realizable assets", which include cash, secured loans, advances to clients, accounts receivable, marketable securities and principal amounts due within one year on mortgages, increased to \$748 million in 1969 from \$643 million.

### **Capital Stock and Dividends**

Your Company's shares were actively traded on the Montreal

and Toronto Stock exchanges during the year with approximately 421,000 shares changing hands, or about 10% of the outstanding stock. The price ranged from a low of \$21¼ in July to a high of \$29 in November, the closing price at the year-end being \$27. During the year, the stock was also listed on the Vancouver Stock Exchange.

Total shares outstanding increased from 3,950,000 as at 31st December, 1968, to 4,158,753 as at 31st December, 1969. Of the increase of 208,753 shares, 175,381 were issued (plus \$6 per share) in exchange for an identical number of shares of The Industrial Mortgage and Trust Company in accordance with terms of the offer outlined in our 1968 report, and an additional 33,372 shares were issued to employees under terms of the Company's employee stock option plan as approved by the Board in 1968. One hundred thousand shares were set aside under that plan.

Dividends at the quarterly rate of 21¼ cents were paid in 1969 for a total of 85 cents. A few days ago you received a dividend at the new quarterly rate of 24 cents per share, which if continued, as we hope, will result in total dividends for 1970 of 96 cents.

### **Guaranteed Account**

The past year has been an extremely difficult one for the Canadian money markets. Declining support for long-term debt (and the stock market) forced more and more borrowers into the short-term money market. Monetary authorities sharply restrained the expansion of credit, the money supply in the hands of the public increasing only 4% in 1969 compared to an average annual increase of 13% in the previous two years.

Over the year, the prime lending rates of Canadian chartered banks increased from 6.75% to 8.50%, while prime 3-month commercial paper rates rose from 6.75% to 9.25% and Government of Canada short-term bond yields climbed to 8.00% from 6.50%. Prime conventional mortgage rates increased from 9.50% to a record 10.50%.

As the unsettled money market conditions dictated, a high degree of liquidity in our guaranteed account was maintained during the year. (See Notes to the Consolidated Financial Statements.)

### **Estates, Trusts and Agencies**

New business in all areas of our Personal Trust services continued to flow in at a gratifying rate during 1969 and through the endeavours of our new Marketing function we are optimistic that this flow will continue at an increasing rate in the seventies.



The amendments to the federal Estate Tax and Income Tax acts approved in 1969 necessitated a careful review of wills and estate planning for a very large number of clients. Prior to the above amendments becoming law, we had been active in conjunction with the Trust Companies Association of Canada in making representations to the Department of National Revenue and to the Committee of the Senate on Banking, Trade and Commerce for amendments felt essential to remove anomalies and inequities, some of which were reflected in the legislation as finally passed.

With just over \$10 billion of assets under administration, investments continue to be a subject of intense interest to our clients. The year 1969 was a particularly difficult one because for the first time in recent years markets failed to advance, and, in fact, declined sharply. To an investment world accustomed to satisfactory "performance" such a decline of bond and stock markets together was a challenging experience. Nevertheless, accounts under our administration seem to have performed relatively well.

We have intensified our emphasis on investment research and have also increased our activity in computer-oriented research through membership in the Financial Research Institute and direct access to the powerful McGill computer. Our trading facilities have been further strengthened with the latest communication devices.

### **Pension Trust**

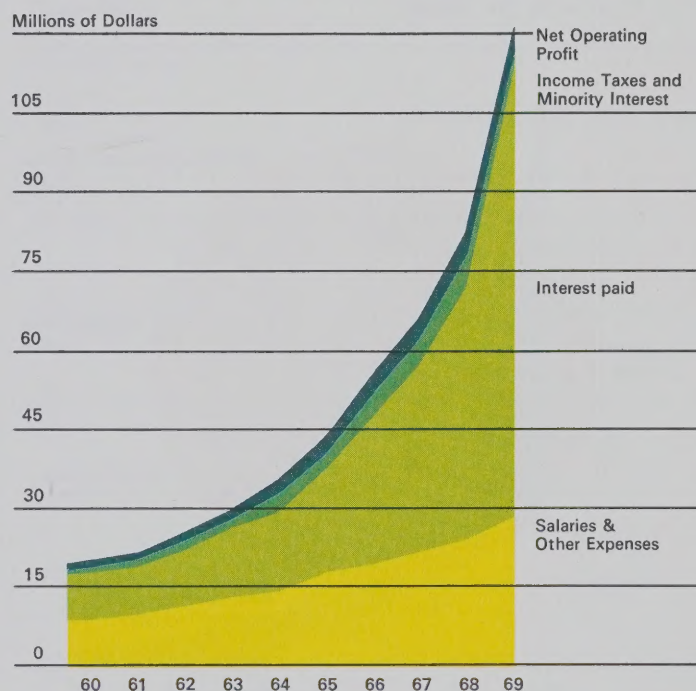
During the past year, our pension trust operation continued its vigorous growth in the face of keen competition and demand for more involved and complex services. New appointments as trustee for pension plans brought the total to more than 850 companies or other organizations with their pension assets under our administration. These assets exceed \$1.8 billion.

Establishing prudent standards of investment performance for pension trusts continues to absorb increasing amounts of time and effort. The fundamental purpose of a pension plan must always be borne in mind, which is to provide adequate pensions for today's employees over the years ahead.

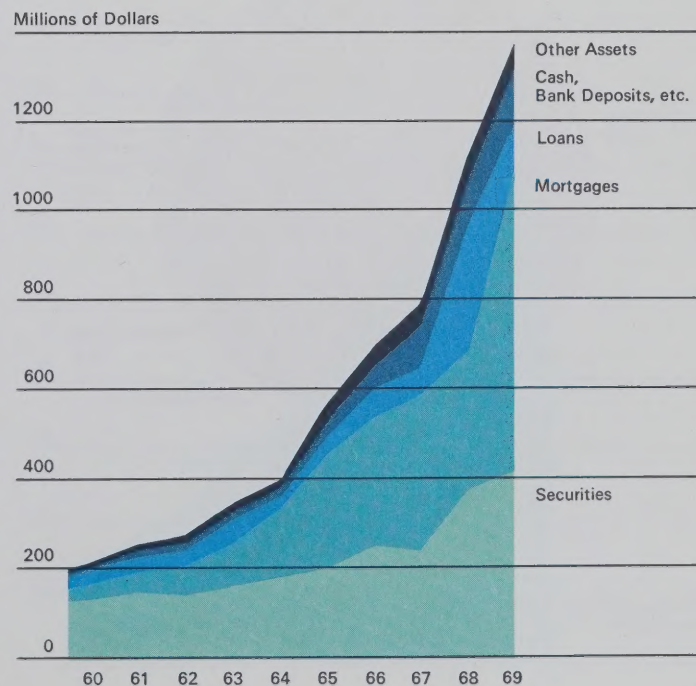
### **Corporate Trust**

Although Stock Exchange share volumes for 1969 were down slightly from 1968, our stock transfer operation was once again very active in 1969, particularly during the first five months of the year when activity was at record high levels. Difficult monetary conditions and a record high level of interest rates continued to prevail and while this resulted

### **Operating Income and Expenses**



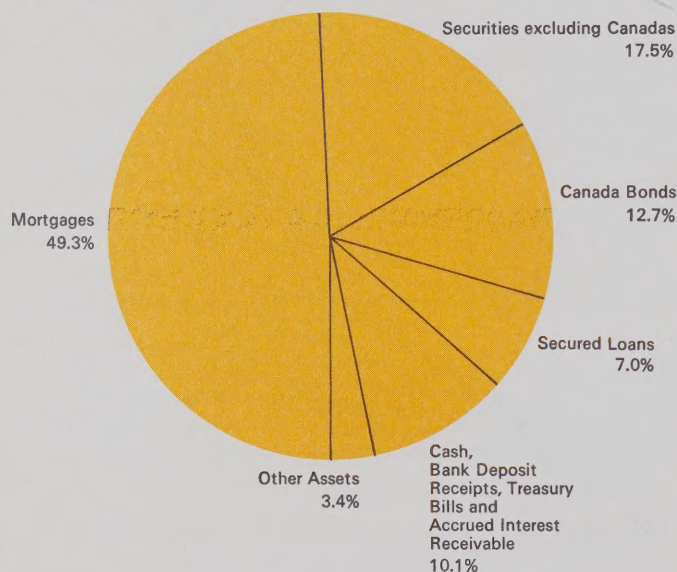
### **Own and Guaranteed Account Assets**



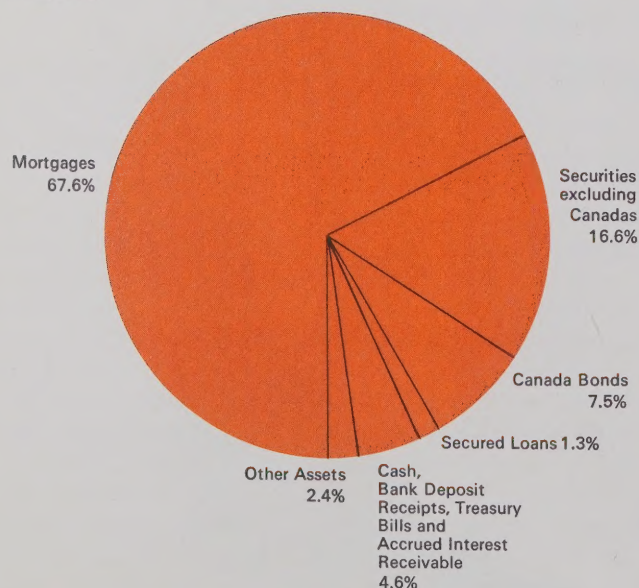


## Comparative Composition of Assets Royal Trust with the Industry

### Royal Trust (Consolidated)



### All Others\*



\*Source — Bank of Canada  
Statistical Summary.

in fewer corporate borrowings by way of bond or debenture issues, the dollar volume of new issues handled by our bond trustee department was only slightly less than the totals in the two previous years.

A highlight was our appointment as trustee for the \$550 million first mortgage bond issue in connection with the financing of the Churchill Falls power project. This is said to be the largest single issue ever underwritten in Canada.

### Real Estate

During 1969, steps were taken to expand the company's real estate business from coast to coast. In June we purchased the Atlas Realty Company in Winnipeg. Its personnel have been integrated with Royal Trust personnel and are operating from new premises in the Grant Park Plaza Shopping Centre. In September the company also purchased the Vancouver real estate firm of Ronnie Clarkson Ltd. As a result of these acquisitions, as well as other activities, sales staff increased by 25% during 1969.

### Mortgages

Our mortgage operation enjoyed a successful year, the total volume of mortgages under our administration at the year end exceeding \$1.1 billion, with clients numbering 46,000. About 8,500 mortgage loans totalling some \$270 million were made during the year. We continued to place heavy emphasis on housing loans, funds secured by housing now accounting for 70% of our total portfolio. This was the first time that our mortgage portfolio had reached \$1 billion and last year's lending was also a new high.

### Mortgage Corporation

In the 1968 report, we outlined details concerning the acquisition of The Ontario Loan and Debenture Company. During 1969 the Mortgage Corporation and The Ontario Loan and Debenture Company were merged and the business of both companies has been continued under the name of The Royal Trust Company Mortgage Corporation. The Savings Deposit operations of Ontario Loan were transferred to the Guaranteed Account of Royal Trust.

One of the purposes of the Mortgage Corporation is to operate as a vehicle for long-term mortgage investments against offsetting long-term debt. You will note from the Consolidated Financial Statements of Royal Trust that there has been no appreciable change in "mortgages held by subsidiaries" or "debentures of subsidiaries", which reflects the difficulty of obtaining long-term financing in a period of high interest rates. However, in spite of such conditions, in



July the Corporation sold an issue of \$10 million, 6-10 year debentures at an interest cost of slightly over 9%.

### **"A", "B", "C" and "M" Funds**

Sales of Units of our Managed Funds, "A" (American stocks), "B" (bonds), "C" (Canadian stocks) and "M" (mortgages), continued at a high level throughout most of 1969. The number of Units of "A" Fund outstanding increased by 30% and of "C" Fund, 100%. "B" Fund Units outstanding declined by about 15%, due partly to continued investor disenchantment with bonds and partly to switches from this Fund to the higher-yielding "M" Fund.

"M" Fund, launched in 1969, has proved to be an outstanding success. The assets of this Fund consist almost entirely of first mortgages on Canadian homes, and it is a source of some pride to us that in the first year of its operation, "M" Fund, through 11,000 participants, provided over \$60 million to finance the construction of more than 3,100 homes. "M" Fund is the only way at the present time that an individual with a small amount of money to invest can participate in mortgages as an investment.

### **Savings**

As mentioned under "Balance Sheet", the Company's Savings operations now total \$92 million. New accounts were opened at the rate of 40 every business day, accumulating a total on our books of more than 100,000.

Deciding that the wide variety of names being applied to deposit accounts by various financial institutions was creating widespread confusion, Royal Trust re-categorized its two accounts to Savings Account and Chequing Account, the first for those desiring to save money, the second for those wishing an account on which to write cheques.

Computer "on-line" service was introduced to the Savings departments in Montreal, Toronto and London (Ont.) branches during the year, giving clients the ultimate in speedy and efficient service in that particular field.

### **International**

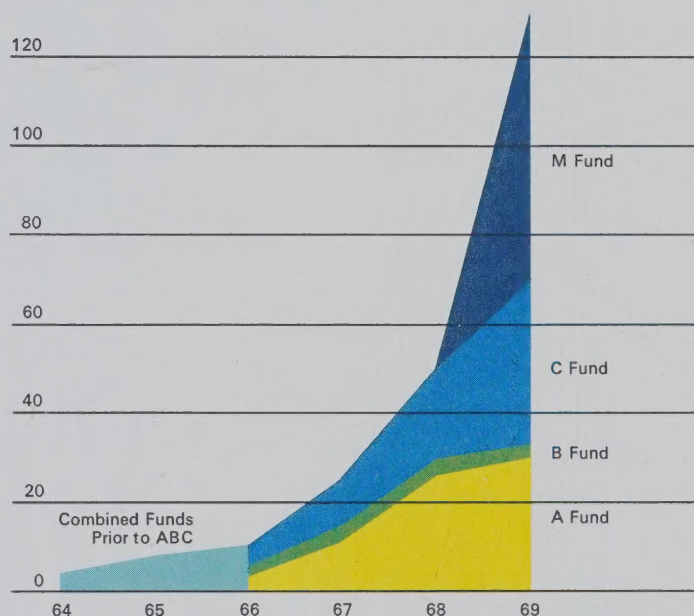
Continuing development of international trade has led to a parallel evolution in the fields of international finance and investment, resulting in new opportunities for Royal Trust. Accordingly, a new division, International and Corporate Business Development, is being developed.

Investments are now an international affair, such monies forming an important part in the industrial growth of new as well as old countries. Funds of this nature are highly sensitive to opportunity and free to move. Our experience and

(Continued on page 11)

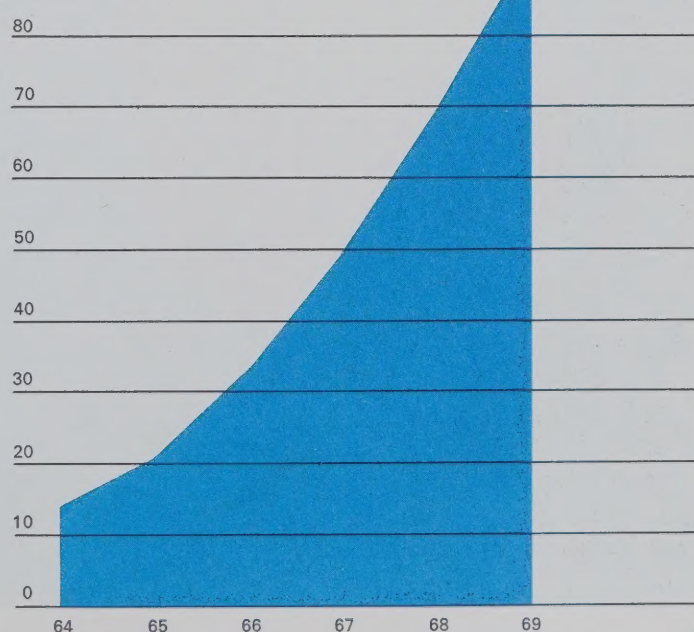
### **Managed Funds (Market Value)**

Millions of Dollars



### **Savings Accounts**

Millions of Dollars





In 1969, Royal Trust was appointed trustee for a \$550 million first mortgage bond issue in connection with the financing of the gigantic Churchill Falls power project. This is said to be the largest single issue ever underwritten in Canada. Harnessing of the falls, shown here, is one of the biggest construction projects ever undertaken in North America.





Royal Trust Tower, Bentall Centre, Vancouver — new home of Vancouver Branch and Western Region Headquarters.





A colorful aspect of Royal Trust's new Toronto home is use of the "office landscaping" concept in the design and arrangement of the premises.





knowledge of investments in Canada should enable Royal Trust to play an important and worthwhile role in the international scene. We are confident that this expanded, intensified activity will make a valuable contribution to the Company's growth and development in the future.

### **Marketing**

The Marketing Group has begun a company-wide examination of existing business, with a view to assessing the potential of even far greater use of our services by the Canadian public.

During the year Marketing Group conducted a series of seminars for Branch Managers and other senior officers involved in business development. Objectives of the seminars were to study new marketing concepts and to discuss the problems in developing a more aggressive marketing philosophy. The challenge facing us is to encourage employees trained to a high standard of service for present clients to become equally dedicated and positive in the search for new business.

### **Electronic Data Processing**

The varied functions of a trust company involve a great deal of record-keeping and it has been estimated that our computerized data files alone contain approximately one billion alphabetical or numerical characters. To manipulate files of this magnitude, it is essential to use the latest model computers, directed and operated by high calibre data processing personnel.

In October, a new third generation computer was installed at Head Office. The systems and programming groups spent most of 1969 preparing for its arrival and almost all systems have been re-designed and re-programmed to gain maximum advantage from the new equipment.

In 1970, we expect to complete centralization of our accounting system to serve all our Canadian branches. This will provide clients of the smallest branch with the same high quality product and rapid service as those of the largest.

### **Personnel**

With the ever-increasing specialization in many areas, development of staff is being accelerated by the continuation of numerous training programmes and seminars.

A new employee stock option plan became operative in 1969. All regular career employees with the Company and overseas subsidiaries with at least two years' service and certain qualified real estate salesmen were eligible to purchase shares at a discount of 10% below market price at the

time of option, over a 5-year period commencing in 1969. The Plan was enthusiastically received, with 83% of those eligible subscribing for 80% of the number of shares available in the first year.

A group long term disability policy was taken out in July for Canadian and overseas employees on a non-contributory basis.

In 1969, the Company initiated distribution to Canadian staff of a personal "employee benefits" report called "Benefits". This carries data on the individual employee's pension and insurance coverage and health benefits, with their dollar value presented in easily readable form. The value of these benefits is often not fully recognized by employees and this report thus fills a useful role.

### **Premises**

In 1969, Royal Trust moved as a tenant into new premises in three buildings bearing the Royal Trust name — the Royal Trust Building, St. John's, Nfld. (12 storeys); the Royal Trust Tower, Vancouver (17 storeys), and the Royal Trust Tower, Toronto (46 storeys). Our Charlottetown Branch also moved into new quarters.

A new Branch was opened in Kitchener to serve the Kitchener-Waterloo area. The Branch is in temporary accommodation and will move into new permanent quarters later in 1970.

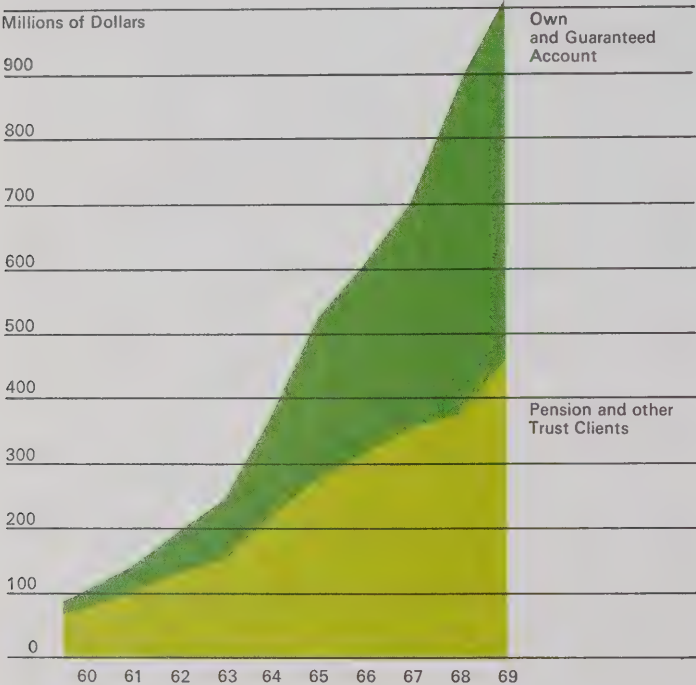
A feature of our new Toronto home is the use of what is known as "office landscaping" in the design and arrangement of our quarters — an exciting concept which has attracted wide interest.

A fire of unknown origin occurred in our Montreal head office during the night of 7th December. It resulted in extensive damage, in particular to the Investment Research and Income Tax departments. In spite of the damage, operations continued on a partial basis the day after the fire

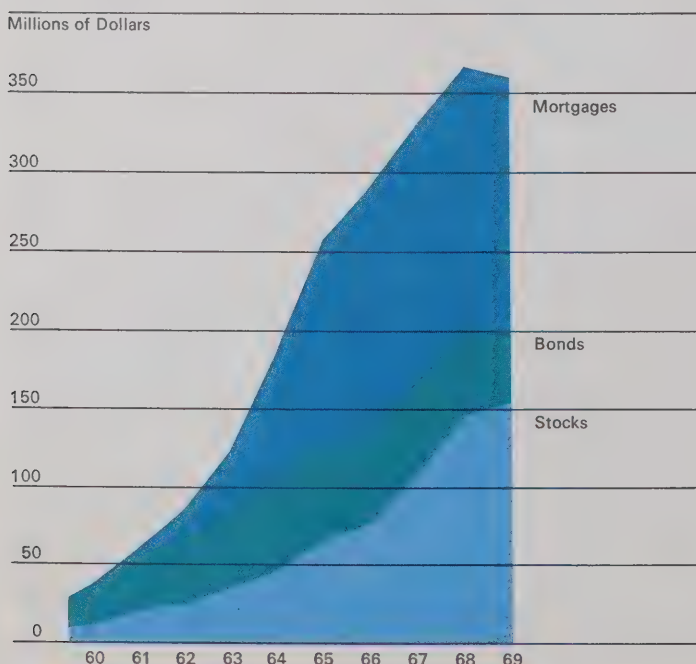
	<i>Shareholders</i>	<i>Employees</i>	<i>Offices</i>
1960.....	1,820	1,294	22
1961.....	1,878	1,368	22
1962.....	2,048	1,511	25
1963.....	2,286	1,673	29
1964.....	2,365	1,990	35
1965.....	2,497	2,044	39
1966.....	2,650	2,136	47
1967.....	3,028	2,215	49
1968.....	3,403	2,268	52
1969.....	4,795	2,425	57



Mortgages Under Administration



Classified Investment Funds for Pension Trusts  
(Market Value)



and were completely restored by the second day. Some records were destroyed but by now have been substantially replaced. Restoration of physical facilities is well in hand. Losses are fully covered by insurance.

General

It will be recalled that at the 1969 Annual Meeting, shareholders authorized the Company to apply to the Quebec National Assembly for various amendments to its Charter. Two of the more important amendments have been sanctioned — a provision that the Capital Stock of the Company can be increased in the normal way through Supplementary Letters Patent, following the approval of shareholders, and another increasing the amount of real estate the Company can hold for its own needs. Our petition for the balance of the amendments sought, which are of a more general application, is still outstanding, having been delayed due to government consideration of recommended legislation that would apply to the trust company industry as a whole.

The Government of the Province of Quebec created a Commission of Inquiry on "The Position of the French Language and on Language Rights in Quebec" and invited the submission of briefs from business organizations. As a national company, headquartered in Quebec, we accepted the opportunity to put forward our views and recommendations on these important subjects.

The customary practice of visits to every office, both in Canada and abroad, by either the President or Executive Vice-President during the course of the year was carried out. In addition, the Board of Directors met in Toronto to mark the formal opening of the new offices there, this being the second time in the Company's history that the Board has met in Toronto. On this occasion, we also invited the members of all the Ontario Advisory Boards.

Being a service organization, the Company's achievements and results during the past year could not have been produced without the skills and dedicated efforts of the 2,425 men and women who constitute the staff, and to each and every one, we extend our most sincere appreciation.

*C. F. Harrington*

CONRAD F. HARRINGTON  
Chairman and  
Chief Executive Officer

*K. A. White*

KENNETH A. WHITE  
President and  
Chief Operating Officer



Royal Trust's Grey Cup float — its first — drew applause as it passed through crowded Montreal streets.





**The Royal Trust Company and its subsidiaries**  
**Consolidated Balance Sheet as at 31st December, 1969**

<b>Assets</b>	<b>1969</b>	<b>1968</b> (Restated)
<i>Assets Held for Guaranteed Account</i>		
Cash, bank deposit receipts and treasury bills . . . . .	\$ 112,037,000	\$ 72,989,000
Secured loans . . . . .	82,482,000	73,269,000
Securities — at cost (Note 2) . . . . .	392,835,000	353,808,000
Mortgages — at cost (Note 4) . . . . .	517,714,000	346,966,000
	<hr/> \$1,105,068,000	<hr/> \$ 847,032,000

*Other Assets*

Cash, bank deposit receipts and treasury bills . . . . .	\$ 14,961,000	\$ 23,588,000
Secured loans, and advances to clients (Note 12) . . . . .	14,809,000	9,608,000
Miscellaneous accounts receivable . . . . .	3,421,000	4,560,000
Securities — at cost less reserve (Note 2) . . . . .	26,732,000	26,865,000
Mortgages held by subsidiaries — at cost (Note 5) . . . . .	164,705,000	163,429,000
Premises, equipment and leasehold improvements at cost less accumulated depreciation and amortization (Note 9) . . . . .	35,492,000	35,364,000
Unamortized debenture discount and underwriter's commissions of Mortgage Subsidiary . . . . .	1,069,000	949,000
Deferred income tax charges . . . . .	2,510,000	1,949,000
Excess of cost of investments in subsidiaries over acquired equity in net assets . . . . .	5,687,000	2,766,000
	<hr/> \$ 269,386,000	<hr/> \$ 269,078,000

Signed on behalf of the Board	<hr/> \$1,374,454,000	<hr/> \$1,116,110,000
<div> CONRAD F. HARRINGTON  KENNETH A. WHITE </div> } Directors.		

**Assets Under Administration**

as at 31st December — at estimated value	<b>1969</b>	<b>1968</b>
Funds and Investments of Estates, Trust and Agency Accounts under Administration excluding Bond Trusteeship and collateral held in that connection . . . . .	\$ 8,634,000,000	\$7,773,000,000
Companies' Guaranteed Account and Other Assets . . . . .	1,374,454,000	1,116,110,000
	<hr/> \$10,008,454,000	<hr/> \$8,889,110,000



## ***Liabilities and Shareholders' Equity***

### ***Guaranteed Account — Trust Funds for Investment***

	1969	1968 (Restated)
Investment receipts (Note 6) . . . . .	\$1,013,164,000	\$ 789,473,000
Savings . . . . .	91,904,000	57,559,000
	<u>\$1,105,068,000</u>	<u>\$ 847,032,000</u>

### ***Liabilities***

Savings deposits of subsidiary . . . . .	\$ —	\$ 12,090,000
Short term notes of subsidiary . . . . .	55,705,000	42,993,000
Due to bank . . . . .	6,077,000	8,406,000
Income tax and sundry liabilities . . . . .	4,417,000	5,519,000
Preferred dividend payable by subsidiary . . . . .	125,000	125,000
Debentures of subsidiaries (Note 7) . . . . .	112,944,000	118,597,000
Mortgages payable (Note 10) . . . . .	21,693,000	21,895,000
	<u>\$ 200,961,000</u>	<u>\$ 209,625,000</u>

### ***Minority Interest and Contingency Provisions***

Deferred income taxes . . . . .	\$ 1,941,000	\$ 1,419,000
Mortgage contingency provision . . . . .	6,994,000	6,452,000
Minority Interest		
Preferred shares of The Royal Trust Company Mortgage Corporation . . . . .	5,000,000	5,000,000
Common share equity in subsidiary companies . . . . .	43,000	1,000
	<u>\$ 13,978,000</u>	<u>\$ 12,872,000</u>

### ***Shareholders' Equity***

#### ***Capital stock (Note 13)***

Authorized — 5,000,000 shares of \$1.00 par value		
Issued and fully paid — 4,158,753 shares (3,950,000 shares, 1968) . . . . .	\$ 4,159,000	\$ 3,950,000
Reserve . . . . .	47,000,000	40,000,000
Retained earnings . . . . .	3,288,000	2,631,000
	<u>\$ 54,447,000</u>	<u>\$ 46,581,000</u>
	<u>\$1,374,454,000</u>	<u>\$1,116,110,000</u>

## ***Auditors' Report***

To the Shareholders of The Royal Trust Company

We have examined the consolidated balance sheet of The Royal Trust Company and its subsidiaries as at 31st December, 1969 and the statements of consolidated profit and loss, retained earnings and reserve accounts for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Clients' accounts and guaranteed funds are kept separate from the companies' own funds and are so earmarked in the books of the companies as to show the accounts to which they belong.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the companies, these consolidated statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at 31st December, 1969 and the results of their operations for the year then ended.

*Riddell, Stead & Co.*

*Chartered Accountants.*

Montreal, 27th January, 1970.



**The Royal Trust Company and its subsidiaries**  
**Statements of Consolidated Profit and Loss, Retained Earnings and**  
**Reserve Accounts for the year ended 31st December, 1969**

*Profit and Loss Account*

	1969	1968 (Restated)
Income		
Fees and commissions . . . . .	\$ 26,720,000	\$23,072,000
Income from mortgages less administration and acquisition fees . . . . .	43,915,000	28,741,000
Other investment income . . . . .	50,257,000	30,938,000
	<u>\$120,892,000</u>	<u>\$82,751,000</u>
Expenses		
Interest paid . . . . .	\$ 79,636,000	\$48,889,000
Salaries, pension contributions and other staff benefits . . . . .	17,404,000	14,472,000
Premises expense (net after rental income) . . . . .	3,162,000	3,316,000
Other expenses . . . . .	7,652,000	5,809,000
	<u>\$107,854,000</u>	<u>\$72,486,000</u>
Profit before income taxes . . . . .	\$ 13,038,000	\$10,265,000
Income taxes . . . . .	6,500,000	5,483,000
	<u>\$ 6,538,000</u>	<u>\$ 4,782,000</u>
Net profit before interest of minority shareholders . . . . .	\$ 6,538,000	\$ 4,782,000
Minority interest . . . . .	275,000	250,000
Net operating profit (Note 11) . . . . .	\$ 6,263,000	\$ 4,532,000
Gain on disposal of premises, less taxes of \$273,000 in 1969 . . . . .	615,000	81,000
Net profit for the year . . . . .	<u>\$ 6,878,000</u>	<u>\$ 4,613,000</u>

*Retained Earnings Account*

	1969	1968
Balance 1st January as previously reported . . . . .	\$ 3,000,000	\$ 2,944,000
Accumulated losses (net of tax) of subsidiary not previously consolidated; 1965-1967 . . . . .	227,000	227,000
1968 . . . . .	142,000	—
Balance 1st January as restated . . . . .	\$ 2,631,000	\$ 2,717,000
Net profit for the year . . . . .	6,878,000	4,613,000
	<u>\$ 9,509,000</u>	<u>\$ 7,330,000</u>
Deduct: Mortgage contingency provision . . . . . \$542,000		1,160,000
Less income tax reduction applicable thereto . . . . . 282,000		(615,000)
	<u>260,000</u>	
Dividends paid . . . . .	3,487,000	2,370,000
Underwriting and other expenses of rights issue . . . . .	—	214,000
Transfer to Reserve . . . . .	2,474,000	1,570,000
Balance 31st December . . . . .	<u>\$ 3,288,000</u>	<u>\$ 2,631,000</u>

*Reserve Account*

	1969	1968
Balance 1st January . . . . .	\$ 40,000,000	\$25,000,000
Transfer from Retained Earnings . . . . .	2,474,000	1,570,000
Premium on issue of shares . . . . .	4,526,000	13,430,000
Balance 31st December . . . . .	<u>\$ 47,000,000</u>	<u>\$40,000,000</u>



**The Royal Trust Company and its subsidiaries**  
**Notes to Consolidated Financial Statements as at 31st December, 1969**

**1. Basis of Consolidation**

All subsidiary companies are included in the consolidated financial statements. These companies are The Royal Trust Company of Canada (a U.K. Corporation), The Royal Trust Company of Canada (C.I.) Ltd., (Located in Jersey in the Channel Islands), The Royal Trust Company (Ireland) Limited, The Royal Trust Company (Bahamas) Ltd., The Royal Trust Company Mortgage Corporation (99.98% owned), The Banker's Trust Company, Royal Agencies Limited, Place d'Armes Realty Co. Ltd., The Industrial Mortgage and Trust Company (99.2% owned, acquired in 1969) and Doreal Investments Ltd. (70% owned).

Doreal Investments Limited became a partially-owned subsidiary of The Royal Trust Company in August 1965.

Consolidation of its accounts was deferred pending re-organization and refinancing of its wholly-owned subsidiary, Dorchester University Holdings Limited, which, in association with the minority shareholders, was completed as of 1st February, 1969. Comparative financial statements for 1968 have been restated to include Doreal and its subsidiary, and consolidated retained earnings have been charged with losses incurred by Doreal in the period from August 1965 to 31st December 1968.

Income and expenses of The Industrial Mortgage and Trust Company have been included from 1st February 1969.

Foreign currencies have been converted into Canadian dollars at rates of exchange prevailing at 31st December 1969.

**2. Securities**

An analysis of securities held for Guaranteed Account is as follows:

	1969	1968
	Cost	Cost
Bonds of, or guaranteed by, governments of Canada, U.S.A. and U.K. . . . .	\$169,601,000	\$120,289,000
Bonds of, or guaranteed by, other governments . . . . .	22,599,000	24,921,000
Obligations of municipalities and corporations . . . . .	200,635,000	208,598,000
	<b>\$392,835,000</b>	<b>\$353,808,000</b>

An analysis of securities owned by the companies is as follows:

Bonds of, or guaranteed by, governments of Canada and U.K. . . . .	\$ 8,169,000	\$ 6,804,000
Bonds of, or guaranteed by other governments . . . . .	5,349,000	286,000
Obligations of municipalities and corporations . . . . .	2,944,000	11,338,000
	<b>\$ 16,462,000</b>	<b>\$ 18,428,000</b>

Preferred shares . . . . .	3,445,000	3,537,000
Common shares . . . . .	10,930,000	8,962,000
	<b>\$ 30,837,000</b>	<b>\$ 30,927,000</b>

Less Investment Reserve (Note 11) . . . . .	4,105,000	4,062,000
	<b>\$ 26,732,000</b>	<b>\$ 26,865,000</b>

Total securities held for Guaranteed Account and owned by the companies . . . . .	<b>\$419,567,000</b>	<b>\$380,673,000</b>
---	----------------------	----------------------

The aggregate market value of the above securities is \$415,609,000 for 1969 and \$382,566,000 for 1968.

**3. Maturities of Assets**

Percentages by maturities of assets, excluding mortgages, held by Guaranteed Account are as follows:

	1969	1968
Due within 1 year . . . . .	62.7%	64.3%
Due within 2 years . . . . .	12.4	10.9
Due within 3 years . . . . .	8.7	9.4
Due within 4 years . . . . .	13.6	3.2
Due within 5 years . . . . .	1.0	10.9
Due beyond 5 years . . . . .	1.6	1.3
	<b>100.0%</b>	<b>100.0%</b>



**4. Mortgages Held for Guaranteed Account**

Mortgages by principal amount due held for Guaranteed Account are as follows:

	1969		1968	
Mortgages held for investment	%		%	
Due within 1 year . . . . .	13.5	\$ 68,054,000	17.2	\$ 57,131,000
1 to 5 years . . . . .	75.8	381,656,000	67.3	223,074,000
Beyond 5 years . . . . .	10.7	53,972,000	15.5	51,471,000
	100.0	\$ 503,682,000	100.0	\$ 331,676,000
Mortgages under agreement for sale				
Receivable within 1 year . . . . .		\$ 13,790,000		\$ 6,042,000
Receivable within 2 years . . . . .		242,000		9,248,000
		\$ 14,032,000		\$ 15,290,000
Total mortgages . . . . .		\$ 517,714,000		\$ 346,966,000

**5. Mortgages Held by Subsidiaries**

Mortgages by principal amount due held by subsidiaries are as follows:

	1969		1968	
Mortgages held for investment	%		%	
Due within 1 year . . . . .	11.5	\$ 18,817,000	9.7	\$ 15,765,000
1 to 5 years . . . . .	62.4	102,752,000	48.2	78,776,000
6 to 10 years . . . . .	21.5	35,480,000	28.6	46,880,000
11 to 15 years . . . . .	3.5	5,817,000	11.9	19,466,000
16 to 20 years . . . . .	1.1	1,791,000	1.4	2,231,000
Beyond 20 years . . . . .		48,000	.2	311,000
	100.0	\$ 164,705,000	100.0	\$ 163,429,000

**6. Investment Receipts**

Investment Receipts are due as follows:

	1969		1968	
Due within 1 year . . . . .	%		%	
1 to 5 years . . . . .	60.9	\$ 616,713,000	59.0	\$ 465,773,000
	39.1	396,451,000	41.0	323,700,000
	100.0	\$ 1,013,164,000	100.0	\$ 789,473,000

**7. Debentures of Subsidiaries**

Maturity dates of debentures of subsidiaries are as follows:

	1969		1968	
1969 . . . . .	\$	—	\$	25,971,000
1970 . . . . .		19,982,000		15,908,000
1971 . . . . .		16,958,000		16,729,000
1972 . . . . .		18,767,000		17,778,000
1973 . . . . .		8,686,000		8,711,000
1974 . . . . .		2,934,000		—
1975 . . . . .		14,132,000		9,250,000
1976 . . . . .		2,531,000		2,600,000
1977 . . . . .		31,000		—
1979 . . . . .		5,994,000		500,000
1981 . . . . .		3,379,000		3,400,000
1984 . . . . .		1,800,000		—
1985 . . . . .		11,750,000		11,750,000
1995 . . . . .		6,000,000		6,000,000
	\$	112,944,000		\$ 118,597,000

Annual sinking fund requirements are:

1971 to 1975 inclusive . . . . .	\$280,000
1976 to 1980 inclusive . . . . .	120,000



**8. Commitments and Contingencies**

- (i) Outstanding commitments as at 31st December, 1969 for future advances to be secured by mortgages were \$106,685,000 of which \$19,501,000 have been allotted to trust clients whose accounts are administered by the Company.
- (ii) The Company has contractual obligations in respect of leases payable as follows:

	Total Sums Payable in Period
Within 5 years . . . . .	\$ 9,696,000
6 to 10 years . . . . .	8,425,000
11 to 15 years . . . . .	7,189,000
16 to 20 years . . . . .	7,510,000
21 to 25 years . . . . .	1,570,000
	<hr/>
	\$34,390,000

\$15,026,000 of the total obligations of \$34,390,000 is to the Company's partially owned subsidiary. Rents incurred in 1969 were \$2,214,000.

**9. Premises and Equipment**

Premises, equipment and leasehold improvements aggregating \$35,492,000 are stated at depreciated cost. Of this amount \$24,500,000 relates to the head office premises of the Company. Depreciation of these premises on a straight line basis is calculated upon an estimated original life of 75 years of which 69 are remaining. All other assets are written off at rates equivalent to or in excess of those established by income tax authorities. Depreciation of premises and equipment and amortization of alterations to leased premises charged to operations amounted to \$1,394,000 in 1969 and \$1,458,000 in 1968.

**10. Mortgages Payable**

Mortgages payable by real estate subsidiary are as follows:

	1969	1968
6 $\frac{7}{8}$ % first mortgage loan maturity May 1994 . . . . .	\$19,332,000	\$19,457,000
6% first mortgage loan maturity June 1970 . . . . .	2,361,000	2,438,000
	<hr/>	<hr/>
	\$21,693,000	\$21,895,000

Instalments of principal and maturities on above due in coming year are as follows:

6 $\frac{7}{8}$ % first mortgage loan . . . . .	\$ 147,000	\$ 125,000
6% first mortgage loan . . . . .	2,361,000	77,000
	<hr/>	<hr/>
	\$ 2,508,000	\$ 202,000

**11. Net Operating Profit**

Net operating profit is after providing for losses, none of which were material, on accounts receivable and on demand and mortgage loans and is exclusive of profits less losses on sale of securities (with income taxes applicable thereto) which were recorded in the Investment Reserve in the amount of \$43,000 profit in 1969 and \$322,000 profit in 1968.

**12. Secured Loans**

Secured loans, and advances to clients of \$14,809,000 include \$462,000 advanced to employees to enable them to purchase fully-paid shares of the Company.

**13. Capital Stock**

208,753 shares of capital stock were issued during the year ended 31st December, 1969, as follows:

- (i) In December 1968, the Company made an offer to shareholders of The Industrial Mortgage and Trust Company. The offer consisted of 1 share of the Company plus \$6.00 in exchange for each share of Industrial Mortgage. Under this offer, the Company issued 175,381 shares at a recorded value of \$23.00 per share.
- (ii) In October 1968, the Directors authorized the setting aside of 100,000 shares of the Company's capital stock for subsequent allotment from time to time by the Directors to employees under option agreements or otherwise. In 1969, the Directors approved a specific stock option plan covering these shares whereby employees are entitled to purchase specified amounts of the Company's shares annually for 5 years commencing 1st January, 1969, at 10% less than the market price.  
In 1969, the Company issued 33,372 shares for \$21.00 cash per share under this plan.



**The Royal Trust Company and its subsidiaries**  
**Ten-Year Review** (Dollars in Thousands)

	1960	1961	1962	1963
<b>Companies' Own and Guaranteed Account Assets</b>				
Cash, bank deposit receipts and treasury bills . . . . .	\$ 34,611	\$ 22,033	\$ 21,008	\$ 19,952
Secured loans . . . . .	29,474	28,650	35,549	52,501
Securities . . . . .	113,002	155,589	146,558	167,309
Mortgages . . . . .	28,525	42,109	61,614	91,858
Premises, equipment and leasehold improvements . . . . .	3,585	5,116	8,321	7,699
Other Assets . . . . .	1,365	1,266	1,565	1,494
	\$ 210,562	\$ 254,763	\$ 274,615	\$ 340,813
<b>Guaranteed Investment Receipts, Savings and Debentures</b>				
Guaranteed investment receipts . . . . .	\$ 186,432	\$ 220,236	\$ 235,982	\$ 291,644
Savings . . . . .		7,000	14,589	23,875
Debentures and notes of subsidiaries . . . . .				
	\$ 186,432	\$ 227,236	\$ 250,571	\$ 315,519
<b>Minority Interest, Contingency Provisions and Liabilities</b>				
Mortgage contingency provision . . . . .	\$ 165	\$ 256	\$ 389	\$ 588
Minority interest . . . . .				
Mortgages payable . . . . .				
All other liabilities . . . . .	7,697	8,376	3,604	2,939
	\$ 7,862	\$ 8,632	\$ 3,993	\$ 3,527
<b>Capital, Reserve &amp; Retained Earnings</b>				
	\$ 16,268	\$ 18,895	\$ 20,051	\$ 21,767
<b>Operating Income and Expenses</b>				
Income —				
Fees and Commissions . . . . .	\$ 9,124	\$ 10,244	\$ 11,857	\$ 13,157
Net income from mortgages . . . . .	1,447	2,157	2,975	4,550
Income from other investments . . . . .	9,385	8,802	10,699	11,978
	\$ 19,956	\$ 21,203	\$ 25,531	\$ 29,685
Expenses —				
Interest paid . . . . .	\$ 8,078	\$ 7,844	\$ 10,177	\$ 12,702
Salaries and staff benefits . . . . .	6,390	6,897	7,897	8,699
Net premises expense . . . . .	685	823	1,185	1,494
Other expenses . . . . .	1,788	2,098	2,619	2,904
	\$ 16,941	\$ 17,662	\$ 21,878	\$ 25,799
Profit before income taxes . . . . .	\$ 3,015	\$ 3,541	\$ 3,653	\$ 3,886
Less —				
Interest of minority shareholders in net profit of subsidiary companies . . . . .				
Income taxes . . . . .	\$ 1,440	\$ 1,752	\$ 1,634	\$ 1,845
	\$ 1,440	\$ 1,752	\$ 1,634	\$ 1,845
Net operating profit . . . . .	\$ 1,575	\$ 1,789	\$ 2,019	\$ 2,041
Average shares outstanding . . . . .	2,825,000	2,825,000	2,825,000	2,850,000
Operating profit per share . . . . .	\$0.56	\$0.63	\$0.71	\$0.72
Dividends per share . . . . .	0.34	0.36	0.36	0.43
<b>Assets under administration (in billions) Estimated value . . . . .</b>				

1964	1965	1966	1967	1968	1969
\$ 25,197	\$ 28,512	\$ 50,880	\$ 94,916	\$ 96,577	\$ 126,998
24,249	46,414	56,261	58,445	82,877	97,291
186,352	205,687	256,223	243,790	380,673	419,567
152,881	249,958	288,354	346,146	510,395	682,419
8,314	37,811	38,019	37,150	35,364	35,492
2,022	3,965	5,120	5,401	10,224	12,687
\$ 399,015	\$572,347	\$ 694,857	\$ 785,848	\$1,116,110	\$1,374,454
\$ 311,934	\$ 403,656	\$ 505,959	\$ 560,090	\$ 789,473	\$1,013,164
14,103	20,988	33,171	49,855	69,649	91,904
42,803	78,625	84,089	98,467	158,590	168,649
\$ 368,840	\$ 503,269	\$ 623,219	\$ 708,412	\$1,017,712	\$1,273,717
\$ 955	\$ 2,193	\$ 3,618	\$ 5,292	\$ 6,452	\$ 6,994
2,500	5,000	5,000	5,000	5,001	5,043
	23,937	22,314	22,104	21,895	21,693
3,614	9,435	10,904	14,163	18,469	12,560
\$ 7,069	\$ 40,565	\$ 41,836	\$ 46,559	\$ 51,817	\$ 46,290
\$ 23,106	\$ 28,513	\$ 29,802	\$ 30,877	\$ 46,581	\$ 54,447
\$ 15,163	\$ 16,789	\$ 19,215	\$ 20,847	\$ 23,072	\$ 26,720
6,904	12,070	17,154	20,754	28,741	43,915
13,259	14,667	18,876	24,406	30,938	50,257
\$ 35,326	\$ 43,526	\$ 55,245	\$ 66,007	\$ 82,751	\$ 120,892
\$ 14,973	\$ 19,708	\$ 28,465	\$ 35,822	\$ 48,889	\$ 79,636
9,599	11,120	12,325	13,590	14,472	17,404
1,626	2,061	2,375	2,934	3,316	3,162
3,379	4,371	5,076	5,350	5,809	7,652
\$ 29,577	\$ 37,260	\$ 48,241	\$ 57,696	\$ 72,486	\$ 107,854
\$ 5,749	\$ 6,266	\$ 7,004	\$ 8,311	\$ 10,265	\$ 13,038
	\$ 146	\$ 250	\$ 250	\$ 250	\$ 275
\$ 2,944	2,901	3,266	4,191	5,483	6,500
\$ 2,944	\$ 3,047	\$ 3,516	\$ 4,441	\$ 5,733	\$ 6,775
\$ 2,805	\$ 3,219	\$ 3,488	\$ 3,870	\$ 4,532	\$ 6,263
2,850,000	3,056,000	3,160,000	3,160,000	3,292,000	4,132,000
\$0.98	\$1.05	\$1.10	\$1.22	\$1.38	\$1.52
0.45	0.50	0.55	0.63	0.75	0.85
		\$ 7.6	\$ 8.3	\$ 8.9	\$10.0



## Board of Directors

**\*Conrad F. Harrington, C.D.**  
Chairman and Chief Executive Officer

**\*Kenneth A. White, C.D.**  
President and Chief Operating Officer

**\*H. Greville Smith, C.B.E.**  
Vice-President,  
(President, Canadian International  
Investment Trust Ltd.)

**R. James Balfour, Q.C.**  
Partner - Balfour, MacLeod,  
McDonald, Moss, Laschuk & Kyle  
(Barristers and Solicitors)

**G. Drummond Birks**  
Vice-President,  
Henry Birks & Sons Ltd.

**Donald N. Byers,  
Q.C., LL.D.**  
Partner - Byers, McDougall,  
Casgrain & Stewart (Barristers and  
Solicitors)

**\*Alistair M. Campbell,  
F.I.A., F.S.A.**  
President, Sun Life Assurance Co. of  
Canada

**Henry Collingwood**  
President, Baine, Johnston & Co. Ltd.

**Harold P. Connor**  
Chairman of the Board,  
National Sea Products Ltd.

**James B. Cross**  
President, Territorial Hotels Ltd.

**Fraser M. Fell, Q.C.**  
Partner - Fasken & Calvin  
(Barristers and Solicitors)

**Percy M. Fox,  
D.C.L., D.Sc.F.**  
Chairman of the Board,  
The Great Lakes Paper Co. Ltd.

**C. Antoine Geoffrion, Q.C.**  
Partner - Geoffrion & Prud'homme,  
(Barristers and Solicitors)

**G. Blair Gordon**  
President, Blair & Co.

**Arnold J. Groleau**  
Executive Vice-President,  
Bell Canada

**Harold Husband**  
President,  
Victoria Machinery Depot Co. Ltd.

**\*Frederick W. P. Jones**  
Professor,  
University of Western Ontario  
School of Business Administration

**\*William S. Kirkpatrick**  
Chairman,  
Cominco Ltd.

**Hon. George C. Marler,  
P.C., LL.D.**  
Deputy Chairman,  
Lafarge Canada Ltd.

**Jean Martineau, Q.C., LL.D.**  
Partner - Martineau, Walker, Allison,  
Beaulieu and Mackell  
(Barristers and Solicitors)

**Allan M. McGavin**  
President and General Manager,  
McGavin Toastmaster Limited

**John W. McKee**  
Chairman of the Board,  
Stone & Webster Canada Ltd.

**Thomas H. P. Molson**  
Honorary Chairman,  
Molson Breweries Ltd.

**\*John L. O'Brien, Q.C.**  
Partner - O'Brien, Home, Hall,  
Saunders, O'Brien & Smyth  
(Barristers and Solicitors)

**Arthur C. Price**  
Consultant, The Price Co. Ltd.

**Robert J. Wilson**  
Senior Vice-President,  
Ontario Region,  
The Royal Trust Company

## Honorary Directors

**Henry G. Birks**

**Ross Clarkson,  
D.C.L., LL.D.**

**Thomas W. Eadie, LL.D.**

**Charles P. Fell, LL.D.**

**B. C. Gardner,  
M.C., D.C.L., LL.D.**

**George W. Huggett**

**Richard G. Ivey,  
Q.C., LL.D.**

**R. E. Powell, LL.D.**

**H. E. Sellers, C.B.E., LL.D.**

**Jules R. Timmins,  
O.B.E., LL.D., D.Sc.**

\*Members of the Executive Committee.

## Executive officers

**Conrad F. Harrington, C.D.**  
Chairman of the Board, Chairman of the  
Executive Committee and  
Chief Executive Officer

**Kenneth A. White, C.D.**  
President and Chief Operating Officer

**J. F. Close, C.A.**  
Senior Vice-President  
Financial Services

**Maurice Forget**  
Senior Vice-President  
Quebec Region

**J. W. R. Seattle**  
Senior Vice-President  
Administration

**R. S. Whyte**  
Senior Vice-President  
Western Region

**R. J. Wilson**  
Senior Vice-President  
Ontario Region

**S. F. Fermor, F.C.A.**  
Vice-President  
Chairman,  
The Royal Trust Company of Canada,  
London, Eng.

**M. A. Jamieson**  
Vice-President  
Personnel Services

**M. J. Pratt**  
Vice-President  
Atlantic Provinces Region

**R. T. La Prairie, C.A.**  
Treasurer

**E. A. M. Edson**  
Executive Assistant  
to the Chairman

**F. N. Haden**  
Assistant Vice-President  
Marketing

**T. R. Lee, D.F.C.**  
Assistant Vice-President  
Public Relations

**A. V. L. Mills**  
Secretary

**A. Purdy**  
Assistant Vice-President  
Mortgages

**J. M. Scholes**  
Assistant Vice-President  
Equities

**G. Smallwood**  
Assistant Vice-President  
Manager, Montreal Branch

**H. E. Trenholme**  
Assistant Vice-President  
Corporate and International  
Business Development

**E. A. Wickens, C.A.**  
Assistant Vice-President  
Fixed Income Securities

**J. A. Worsley**  
Assistant Vice-President  
Manager, Toronto Branch

**G. E. Allen**  
General Supervisor  
E. D. P. Services

**D. B. Ascott**  
General Supervisor  
Trust Services

**J. A. C. Ferenbach**  
Comptroller

**V. G. Hobbes**  
General Supervisor  
Investments  
(Research Projects)

**F. S. Milligan**  
General Supervisor  
Personnel Services

**G. R. Otley**  
General Supervisor  
Investment Research

**K. C. Pilley**  
General Supervisor  
Pension Trusts

**B. P. Riley**  
General Supervisor  
Real Estate

**L. S. Schurer**  
General Supervisor  
Investments  
(Personal Services)

**Jacques Sénécal, Q.C.**  
General Counsel



## Branch Managers

Alan G. Aldous  
Saskatoon

John W. Bayne  
Victoria

Mackenzie F. Bell  
London, Ont.

Charles F. Bentley  
Charlottetown

John A. Burleton  
Saint John, N.B.

John H. Colbourne  
St. John's, Nfld.

John W. Corbishley  
Sault Ste. Marie

Eric J. Dorman  
Regina

André Forest  
Sherbrooke

H. H. Gratton  
Hamilton

Paul C. Larocque  
Quebec City

Hugh W. MacEwing  
Edmonton

K. A. MacRae  
Thunder Bay

George Mitchell  
St. Catharines

W. E. Mundell  
Lethbridge

George F. Publicover  
Ottawa

C. F. Ranson  
Halifax

D. Donald Ross, C.A.  
Winnipeg

J. P. Rousseau  
Trois-Rivières

F. A. Simpson  
Kelowna

Glyn Smallwood  
Montreal

A. T. Smyth  
Kitchener — Waterloo

R. R. H. Sturgess  
Calgary

R. S. Traquair  
Sarnia

D. S. N. Tuck  
Kingston

Andrew B. Weir  
Vancouver

John A. Worsley  
Toronto

### **Other Offices in Canada** (Not including Real Estate Offices)

T. G. Barclay  
St. Thomas, Ont.

R. W. Bell  
Strathroy, Ont.

D. C. Bockman  
Colborne St., Sarnia, Ont.

L. A. Carrière  
Plaza St-Hubert, Montreal

J. C. Carter  
Yonge & Eglinton, Toronto

John P. Cowan  
197 N. Front St., Sarnia, Ont.

Irwin S. Fraser  
Forest, Ont.

G. A. Gélinas  
Place Laurier, Ste-Foy, Que.

A. S. Graham  
St. Clair & Yonge, Toronto

J. W. Hewitt  
Westmount, Que.

I. L. Isenor  
Corner Brook, Nfld.

M. W. McDowell  
Petrolia, Ont.

R. A. C. Strathy  
Humbertown Centre, Islington, Ont.

G. W. D. Zurbrigg  
Woodstock, Ont.

### **Overseas**

S. F. Fermor, F.C.A.  
Chairman  
and Managing Director,  
The Royal Trust Company  
of Canada,  
London, England

G. W. P. Camble  
Manager  
The Royal Trust Company  
of Canada (C.I.) Limited,  
St. Helier, Jersey, Channel Islands

J. B. Doyle, F.C.A.  
Managing Director,  
The Royal Trust Company  
(Ireland) Limited  
Dublin, Ireland

### **Representatives**

Harry Chapman  
Sutton, Que.  
Eastern Townships

Keith J. Harrison  
Labrador City, Nfld.

Kevin M. Joy  
Gander, Nfld.

J. G. R. Lavoie  
Arvida, Que.  
Lac St-Jean Area

Hubert T. Lonergan  
Yarmouth, N.S.  
Nova Scotia - North Shore

Alan S. Notman  
St. Catharines, Ont.

Percy T. Palmer  
Moncton, N.B.

Fred A. Simpson  
Guelph, Ont.

Donald H. Taylor  
Knowlton, Que.

E. R. Taylor  
Hamilton, Ont.

Ivan S. Thacker  
Peterborough, Ont.

A. W. Underhill  
Kitchener-Waterloo, Ont.

E. G. Wallbridge  
Edmonton, Alta.

# Advisory Board Members

## Newfoundland

John H. Colbourne, Chairman  
Rupert W. Bartlett, Q.C.  
Charles R. Bell  
Henry Collingwood  
Arthur R. Lundrigan  
Albert Martin  
James W. Parker  
Bernard D. Parsons  
Gordon A. Winter

## Halifax

T. R. Francis, Chairman  
L. F. Daley, Q.C.  
C. Wilmot Dean  
Finlay MacDonald  
George Mitchell  
C. F. Ranson  
Joseph Zatzman  
F. Homer Zwicker

## Saint John, N.B.

F. G. McLean, Chairman  
John A. Burleton  
James M. Crosby  
J. M. Grant  
E. B. Harley  
Colin B. Mackay, Q.C., LL.D.  
P. W. Oland  
William G. Quinn  
P. Streeter

## Quebec

Paul C. Larocque, Chairman  
Paul A. Audet, C.L.U.  
S. E. Brock, F.S.A.  
Pierre Côté  
J. D. Charles de Jocas  
Georges Demers, B.A.Sc., C.E.  
J. P. A. Gravel, Q.C.  
Roger Létourneau, Q.C.  
A. C. Price

## Sherbrooke

André Forest, Chairman  
Charles E. Bélanger,  
C.A., D.C.Sc.  
Brigadier Jean P. Gautier,  
D.S.O., C.D.  
Victor W. Newton  
H. A. Simons

## Ottawa

F. W. Troop, Chairman  
James B. Brown  
W. R. Creighton  
Colonel J. D. Fraser, V.D., C.D.  
David A. Golden  
Gordon F. Henderson, Q.C.  
Major-General H. F. G. Letson,  
C.B.  
Allan T. Lewis, C.B.E., Q.C.  
George F. Publicover  
R. P. White, O.B.E., V.R.D.

## Kingston

D. S. N. Tuck, Chairman  
D. G. Cunningham,  
C.B.E., D.S.O., E.D., C.D., Q.C.  
Dr. Clifford A. Curtis  
Arthur L. Davies  
Dr. G. W. Mylks

## Toronto

J. A. Worsley, Chairman  
John A. Boyd  
Courtland Elliott, C.B.E.  
John F. Ellis, M.B.E.  
Charles P. Fell, LL.D.  
Leonard D. Griffiths  
T. S. Johnston  
John P. G. Kemp  
H. M. MacDougall  
J. W. McKee  
F. A. Schulman  
R. B. Taylor, F.C.A.

## Hamilton

H. H. Gratton, Chairman  
John D. Campbell  
Roy G. Cole  
W. I. Drynan  
Ronald K. Fraser  
Trumbull Warren, O.B.E.

## Kitchener — Waterloo

A. T. Smyth, Chairman  
Theodore A. Witzel  
Joseph R. Zuber

## St. Catharines

George E. Irvine, Chairman  
David A. Macfarlane  
Lt. Col. E. F. McCordick,  
O.B.E., E.D.  
George Mitchell  
A. S. Notman  
Dr. B. E. Sherk

## London, Ont.

Mackenzie F. Bell, Chairman  
Donald H. Anderson  
George H. Belton  
F. W. Dowler, Q.C.  
David M. Gunn  
F. W. P. Jones  
Kenneth J. Shea  
John H. Stevens

## Sarnia — Lambton County

W. Logan Millman, Q.C.,  
Chairman  
Dr. C. M. Carruthers  
Harrison Corey  
Gordon Ferguson  
Gordon H. Findlay  
C. Howard Huctwith  
Herbert S. Matthews  
Robert McCubbin  
George W. Parker  
Dr. Gordon R. Scarrow  
Stanley Wilk  
Roger A. Wilson

## Sault Ste. Marie

Leslie C. Waugh, Chairman  
John W. Corbishley  
Robert L. Curran  
William M. Hogg  
Douglas C. Joyce

## Thunder Bay

F. H. Black, O.B.E., F.C.A.,  
Chairman  
C. J. Warwick Fox  
E. Lorne Goodall  
K. M. MacRae  
John N. Paterson  
Robert J. Prettie

## Winnipeg

D. Donald Ross, C.A., Chairman  
Stanley M. Davison  
A. S. Leach  
J. Derek Riley, C.A.  
Stewart A. Searle, Jr.  
G. H. Sellers, A.F.C.  
Maitland B. Steinkopf, Q.C.

## Regina

Eric J. Dorman, Chairman  
Dr. E. W. Barootes  
J. L. Dick  
J. M. Rowand

## Saskatoon

Alan G. Aldous, Chairman  
D. L. Evans  
J. H. Evans  
G. Blair Nelson

## Calgary

R. R. H. Sturgess, Chairman  
Albert T. Baker  
D. E. Batchelor, LL.D.  
James B. Cross  
Robert J. Kayser  
David E. Mitchell  
Ralph A. Thrall

## Edmonton

Hugh W. MacEwing, Chairman  
C. W. Carry  
C. E. Garnett  
Dr. Hu Harries, M.P.  
John F. McDougall  
G. R. A. Rice, LL.D.

## Vancouver

Andrew B. Weir, Chairman  
A. John Ellis  
Allan M. McGavin  
Howard T. Mitchell  
Hon. John L. Nichol  
J. G. Prentice  
J. H. Salter  
Hon. James Sinclair, P.C.  
J. Bruce Smith  
C. Reginald Tanner

## Victoria

J. W. Bayne, Chairman  
E. W. Arnott  
Harold B. Elworthy  
Rear-Admiral J. C. Hibbard,  
D.S.C., C.D., R.C.N. (Ret'd)  
Harold Husband  
Hon. R. W. Mayhew, LL.D.  
Ralph D. Perry  
Hector C. Stone  
H. A. Wallace  
A. E. Walters

## The Royal Trust Company of Canada London, England

Directors:  
S. F. Fermor, F.C.A., Chairman  
G. B. Holt, T.D.  
A. Sheldon C. Black  
C. E. Foreman  
C. F. Harrington, B.A., B.C.L.  
A. H. Montgomery,  
O.B.E., T.D., F.C.A.  
H. M. Robinow  
K. A. White

## The Royal Trust Company of Canada (C.I.) Limited, St. Helier, Jersey, Channel Islands

Directors:  
R. R. Jeune, Chairman  
G. W. P. Camble  
S. F. Fermor, F.C.A.  
Arthur Forster  
C. F. Harrington, B.A., B.C.L.  
Sir Robert Marett,  
K.C.M.G., O.B.E.

## The Royal Trust Company (Ireland) Limited Dublin, Ireland

Directors:  
J. B. Doyle, F.C.A.  
S. F. Fermor, F.C.A.  
C. F. Harrington, B.A., B.C.L.  
G. P. Jackson  
A. H. Montgomery,  
O.B.E., T.D., F.C.A.  
G. A. C. Stirling  
A. W. Warnock, F.C.A.  
K. A. White



- 1 With Mr. White, other Royal Trust officers and stock exchange officials looking on, Mr. Harrington and John van Luven, Stock Exchange President, examine the ticker tape recording the first transaction following listing of Royal Trust on the Vancouver Stock Exchange.
- 2 Royal Trust's unique "moon bank" was right up front when Neil Armstrong, first man to step on the moon, and his fellow astronauts were entertained by Mayor Jean Drapeau at a civic luncheon in Montreal.
- 3 The Mayor of Winnipeg, Stephen Juba; the Chairman of Council, The Metropolitan Corporation of Greater Winnipeg, J. E. Willis, and Dr. H. Albert Hochbaum, whose painting features Royal Trust's 1970 calendar (right to left), were among those attending the ceremonies opening Royal Trust's new real estate office in Grant Park Plaza Shopping Centre, Winnipeg. Manager, D. D. Ross, is at left.





4 Royal Trust's "M" Fund, launched in January, 1969, surpassed most optimistic expectations, both as an investment medium and as a supplier of funds for Canada's housing program. R. J. Wilson, Senior Vice-President, Ontario Region (right) and Hon. Stanley J. Randall, Ontario Minister of Trade and Development, examine first copies of the prospectus and other material concerning the Fund.

5 A branch to serve the Kitchener-Waterloo (Ont.) area was opened in Kitchener in 1969. Manager, A. T. Smyth, and members of his team are seen in their temporary Walper Hotel office, discussing their move to a new, permanent home during 1970.

6 The skyline of St. John's, Newfoundland — gateway to the New World — has been dramatically changed by the new Royal Trust Building. This photo is courtesy Johnsons Limited, who used it as a Christmas card.





## Offices

### Head Office:

Montreal,  
630 Dorchester Blvd. W.

### Regional Offices

#### Atlantic Provinces Region

Halifax,  
1648 Hollis Street

St. John's, Nfld.  
Corner Brook  
Halifax

Charlottetown  
Saint John, N.B.

The Royal Trust Building, 139 Water Street  
Millbrook Shopping Centre  
Centennial Building, 1648 Hollis Street  
Holiday Inn, Dartmouth\*  
172 Great George St.  
Brunswick House, One King Street

#### Quebec Region

Montreal,  
630 Dorchester Blvd. W.

Quebec  
Trois-Rivières  
Sherbrooke  
Montreal

65 Ste. Anne Street  
Place Laurier  
154 Radisson Street  
25 Wellington St. North  
630 Dorchester Blvd. West  
4145 Sherbrooke Street W.  
6991 St. Hubert Street  
Beaconsfield Shopping Centre, Beaconsfield\*  
19E. Commercial Centre, Roxboro\*  
147 Kindersley Avenue, Town of Mount Royal\*  
Fairview Shopping Centre, Pointe Claire\*  
1 Place Longueuil\*  
Knowlton, Quebec\*

#### Ontario Region

Toronto,  
Royal Trust Tower  
Toronto-Dominion Centre

Ottawa  
Kingston  
St. Catharines  
Toronto

76 Metcalfe Street  
74 Brock Street  
4 Queen Street  
Royal Trust Tower  
2247 Yonge Street  
32 Humbertown Centre, Islington  
81 St. Clair Ave. East  
227 Eglinton Ave. West\*  
1125 Dundas St. East, Mississauga\*  
Terminal Towers, 105 Main Street East  
130 King Street East

Hamilton  
Kitchener — Waterloo  
St. Thomas  
Woodstock  
London, Ont.  
Strathroy  
Forest  
Petrolia  
Sarnia

1 King St. W.  
525 Talbot Street  
453 Dundas Street  
137 Dundas Street  
72 Frank Street  
161-165 King Street  
4186 Petrolia Street  
197 N. Front Street  
1365 Colborne Road  
331 Main St.  
350 Queen Street East  
202 Arthur Street

Watford  
Sault Ste. Marie  
Thunder Bay

#### Western Region

Vancouver,  
Royal Trust Tower  
Bentall Centre  
555 Burrard St.

Winnipeg  
Saskatoon  
Regina  
Edmonton  
Calgary

287 Broadway  
Grant Park Plaza Shopping Centre\*  
115 - 2nd Avenue North  
101 McCallum Hill Building  
10039 Jasper Avenue  
600 - 7th Avenue S. W.  
627 - 6th Avenue S.W.\*  
323 - 7th Street South  
248 Bernard Avenue  
Royal Trust Tower  
2075 West 37th Ave.\*  
1861 Marine Drive, West Vancouver\*  
1205 Government Street

Lethbridge  
Kelowna  
Vancouver

Victoria

#### Abroad

London, England  
St. Helier, Jersey, C.I.  
Dublin, Ireland

3 St. James's Square  
33 Hill Street  
113 Grafton Street

\*Real Estate Offices

***for the individual***

Estate Planning

Executor and trustee under wills

Administrator or agent for the heirs in estates where there is no will

Agent or attorney for executors

Agent for the management of estates

Trustee under deeds of trust

Committee or curator to property

Manager of investments

Agent for the investment of money and collection of dividends, interest, rent, and the principal of mortgages, bonds and stocks

Managed Investment Funds (A, B, C and M)

Agent to buy, sell, and manage real estate

Mortgage loans

Custodian of securities

Depository for medium and short term money against Guaranteed Investment Receipts

Savings Accounts

Agent for preparation of income tax returns

Registered retirement savings plans (guaranteed)

Standing-by attorney

***for corporations, firms and other organizations***

Transfer agent and registrar for shares

Paying agent for dividends and bond interest

Subscription and rights agent

Depository and escrow agent

Trustee for bondholders and registrar for bonds

Depository for medium and short term money against Guaranteed Investment Receipts

Trustee and custodian for pension and other employee benefit plans

Trustee for buy-sell agreements under business insurance trusts

Management and custodianship of securities

Custodian and trustee for non-resident insurance companies

Agent for real estate, mortgages and lease-back agreements

Property management

Management of endowment funds, collection of pledges, etc., for charitable, religious, educational and similar bodies

General financial agent and all related services



